

Message Text

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PAGE 01 STATE 165894

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FM SECSTATE WASHDC

TO AMEMBASSY SAIGON

INFO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DANANG

AMCONSUL HONG KONG

AMCONSUL NHA TRANG

USDEL JEC PARIS

TREASURY

USSAGE NAKHON PHANOM

CINCPAC HONOLULU

COGARD POLAD

XMT AMEMBASSY SUVA

AMEMBASSY RANGOON

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E.O. 11652:N/A

TAGS: PFOR, XC, US

SUBJECT: JULY 30 EA PRESS SUMMARY

INDOCHINA

1. HOUSE PASSES 22.5 BILLION DOLLAR COMPROMISE DOD WEAPONS AUTHORIZATION BY 305-38; INCLUDES ONE BILLION LIMIT ON MIL AID TO SVN (AP SUN, NYT; WP). VOTE IN SENATE EXPECTED TODAY. BILL SETS SPENDING CEILINGS; ACTUAL AMOUNTS TO BE EXPENDED WILL BE SET BY APPROPRIATIONS LEGISLATION (WP).

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PAGE 02 STATE 165894

2. GVN MIL SPOKESMAN SAYS DA NANG AIR BASE AND SURROUNDING VILLAGES SHELLED FOR SECOND TIME IN TEN DAYS, WITH SIX KILLED. MIL OFFICERS REPORT COMMUNIST FORCES OPEN FOURTH FRONT IN BATTLE FOR CONTROL OF APPROACHES TO DA NANG, OVERRUN HAMLETS AND GVN POSTS AT THUONG DUC, 25 MILES SW OF CITY, FOLLOWING BARRAGE OF 1000 ROCKET, ARTILLERY AND MORTAR ROUNDS (AP, NYT; WP; CHITRIB; GLOBE). FIELD REPORTS INDICATE HEAVY MIL AND CIVILIAN CASUALTIES AT THUONG DUC AND MOST HOMES IN DISTRICT TOWN OF 11,000 EITHER DESTROYED OR DAMAGED (AP, NYT; WP). WESTERN DIPLOMATS SEE RECENT INTENSE COMMUNIST ATTACKS AS STRATEGIC RAIDS AND "SERIES OF HIGH POINTS" TO KEEP WAR GOING AND PREVENT GVN FROM USING ENERGIES AND MANPOWER ON SEVERE ECON PROBLEMS. THEY BELIEVE

NVN TRYING TO STRAIN SVN ECONOMY TO BREAKING POINT TO UNDERMINE THIEU GOVT (AP, NYT).

3. NYT'S MARKHAM FROM SAIGON REPORTS COMMUNISTS DUG IN WEST OF BEN CAT DISTRICT TOWN IN RUBBER PLANTATION AREA 25 MILES NORTH OF CAPITAL, AND INFILCTED HEAVY CASUALTIES IN HARD FIGHTING. BATTLE BEGAN IN MID-MAY WHEN NVA TROOPS WITH ARTILLERY AND TANK SUPPORT OVERRAN THREE GVN MILITIA OUTPOSTS. SINCE THEN, ARVN COMMITTED MOST OF 12,000-MAN 18TH DIV, AND "RELIABLE SOURCES" SAY SUFFERED OVER 500 KIA, LOST 44 ARMORED VEHICLES INCLUDING 14 TANKS, AND HAD AT LEAST FIVE FIGHTER-BOMBERS AND TWO HELICOPTERS DOWNED BY AA FIRE. IN ADDITION, VC LAST MONTH CLOSED ROUTE ONE IN LONG KHANH PROVINCE TEMPORARILY AND UNDERCUT GVN AUTHORITY IN MANY RESETTLEMENT CAMPS WHILE 18TH DIV BOGGED DOWN. GVN CLAIMS OF INFILCTING HEAVY LOSSES ON ENEMY, INCLUDING 1473 KIA, ARE SEEN AS "BIT SCREWY" BY ONE OBSERVER BECAUSE COMMUNIST UNITS SAID TO BE HARD-HIT REAPPEAR TO FIGHT AGAIN. GVN REPORTEDLY HAS NOW STOPPED ATTACKS AND IS REPLACING 18TH DIV WITH FIFTH DIV. BATTLEFIELD SEALED OFF TO JOURNALISTS AND ARVN STOPPED REPORTING CASUALTIES BUT FAMILY-PLACED DEATH NOTICES KEEP APPEARING IN SAIGON PAPERS.

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 165894

MARKHAM SEES BEN CAT "DEBACLE" AS BLOW TO PRESTIGE OF MR III COMMANDER LTG THUAN WHO EARLIER RETOOK ONE OVERRUN VILLAGE, PROMISED RECAPTURE OF OTHER TWO BY JUNE 30. SOME ANALYSTS ARGUE THAT NVA SENT NINTH DIV ELEMENTS TO BEN CAT TO PUSH CLOSE TO SAIGON AND THREATEN ROUTE 13. OTHERS CONTEND ATTACK IS TO PRESSURE GVN TO MOVE TOWARD POLITICAL SETTLEMENT OF WAR. MARKHAM BELIEVES MOST PLAUSIBLE EXPLANATION IS THAT COMMUNISTS,

AFTER HAVING SUFFERED DEFEATS ELSEWHERE, NEEDED TO BLOODY GVN FORCES, SAP MORALE AND PUT THEM ON DEFENSIVE. RECOUNTS "REMARKABLE" ARVN VICTORIES SINCE JANUARY: TRI PHAP BASE AREA IN NORTHERN DELTA CLEARED; COMMUNISTS PUSHED DEEPER INTO HO BO WOODS IN HAU NGHIA PROVINCE AND SIEGE OF DUC HUE LIFTED; AND NVA FIFTH DIV REPORTEDLY HIT HARD IN PARROT'S BEAK AREA OF CAMBODIA IN LATE APRIL-EARLY MAY. LAST NOT ANNOUNCED SINCE GVN TASK FORCES MOVED INTO CAMBODIA TO INFILCT HEAVY CASUALTIES ON NVA.

SOUPHANOUVONG AND SEVEN RIGHT-WING LAOTIAN GENERALS HELD MEETING OVER WEEKEND THAT OFFICIAL GOVT NEWSPAPER DESCRIBES AS "HISTORIC" (PHINQ). AUTHORITATIVE SOURCES

SAY MEETING LASTED OVER THREE HOURS. OBSERVERS SAY SOUPHANOUVONG WAS TRYING TO REDUCE POLITICAL TENSIONS, MIGHT ALSO BE TRYING TO CONVINCE GENERALS OF PL GOODWILL OR AT LEAST LESSEN SUSPICION THAT DELAYS NATIONAL RECONCILIATION (WP).

CHINA

4. FOLLOWING VISIT TO TACHING, REUTER'S SHARP REPORTS THAT ENOUGH OIL NOW IS BEING DISCOVERED THERE AND ELSEWHERE TO INSURE THAT CHINA WILL SOON LOOM LARGE IN WORLD OIL TRADE -- PROBABLY WITHIN NEXT DECADE. TACHING IS ALSO MUCH MORE THAN ECON PLUS MARK; IT SYMBOLIZES PRC'S GO-IT-ALONE PHILOSOPHY THAT SHUNS FOREIGN AID AND FOREIGN DEBTS. IT HAS ALSO SHOWN SPIRIT OF HARD WORK IN FACE OF ADVERSITY THAT PEKING STRIVES TO INSTILL INTO NATION. BUT, ACCORDING SHARP, TACHING MUST ALSO BE ONE OF CHINA'S BIGGEST SECURITY HEADACHES; SITUATED LESS THAN 250 UNCLASSIFIED

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PAGE 04 STATE 165894

MILES FROM NEAREST POINT OF SINO-SOVIET BORDER, PRC STRATEGISTS KNOW IT WOULD BE PRIME TARGET SHOULD SOVIET MOUNT ATTACK.

SOVIET THREAT WAS NOT STRESSED BY OFFICIAL SPOKESMAN ACCOMPANYING GROUP OF 22 PEKING-BASED FOREIGN NEWSMEN INVITED TO VISIT TACHING -- ALMOST CERTAINLY BECAUSE GROUP INCLUDED TWO SOVIET CORRESPONDENTS. BUT SHARP FOUND IT EVIDENT THAT THREAT IS TAKEN SERIOUSLY, FOR OIL STORAGE TANK ROOFS ARE DISGUISED IN CAMOUFLAGE PAINT AND INSTALLATIONS HAVE BEEN BURIED UNDERGROUND BENEATH THREE FEET OF CONCRETE. BUT SHARP FOUND NO SIGNS OF ACTIVE DEFENSE, APART FROM GROUP OF ABOUT SIX AA GUNS PARKED NEAR REFINERY ATTACHED TO OILFIELD BUT THESE WEAPONS WERE NOT IN BATTLE READINESS -- SOME

STILL HAD COVERS ON -- AND MAIN CHINESE DEFENSES REMAIN OUTSIDE PERIMETER OF OILFIELD PROPER.

TACHING IS INFECTED WITH SPIRIT OF DEDICATION AND DRIVE; EVERY NEW WORK PROJECT IS DEPICTED IN TERMS OF A BATTLE, AND THERE IS GREAT ACCENT ON YOUTH WITH 70-80 PERCENT OF WORKERS IN THEIR EARLY 20'S AND UNMARRIED.

5. SUN'S CORDDRY, IN OXFORD, CITES DIPLOMATIC AUTHORITY AT INTERNATIONAL CONFERENCE THERE SAYING CHINA'S FEAR OF SOVIET ATTACK HAS DIMINISHED AND CURRENT PRC POLICY LINE IS THAT MAIN USSR THREAT IS DIRECTED TOWARD WE. EXPERT MAINTAINS THAT BOTH PEKING'S NEW RELATIONSHIP WITH US AND ADVANCED STATE OF ITS OWN NUCLEAR ARMS MAY FIGURE IN CHINA'S ASSESSMENT THAT ITS WORRIES NOW ARE MUCH LESS THAN PREVIOUSLY.

NEITHER THIS EXPERT NOR OTHERS WHO SPOKE SAW ANY PROSPECT OF SINO-SOVIET RAPPROCHEMENT; CHINA WOULD HAVE TO PAY TOO DEARLY, RECOGNIZING MOSCOW'S PRIMACY AS COMMUNIST LEADER AND POSSIBLY DISMANTLING ITS NUCLEAR DETERRENT, ACCORDING THESE EXPERTS.

CORDDRY REPORTS DIPLOMATIC EXPERT ASSERTING THAT US "IMPERIALISM" IS SECOND ONLY TO SOVIET "REVISIONISM" AS ARCH ENEMY, SO GRAVE MISTAKE TO SEE ANY NATURAL UNCLASSIFIED

UNCLASSIFIED

PAGE 05 STATE 165894

ALLIANCE IN PRESENT SINO-US SITUATION. EXPERT SAW LARGE SOVIET FORCE NEAR CHINA'S FAR EAST BORDERS POISED TO CAPITALIZE ON POSSIBLE TURMOIL IN CHINA AFTER MAO'S DEATH -- EXPLOITATION THAT COULD TAKE FORM OF POLITICAL INTERVENTION, SUBVERSION AND SEMI-MIL ACTIONS IN SINKIANG AND INNER MONGOLIA. HOWEVER, ANY ALL-OUT SOVIET ATTACK, EXPERT INSISTED, WOULD BE DESPERATE MOVE AND HE DID NOT LOOK FOR IT TO OCCUR. ADDED THAT PEKING, IN DIPLOMATIC EFFORT TO BUILD UNITED FRONT AGAINST SOVIET, HAS UNDERTAKEN TO ASSEMBLE ALL ALLIANCES IT CAN, WITH COUNTRIES RANGING FROM US TO ALBANIA.

6. SUN'S PARKS, IN MOSCOW, SAYS BROAD PLATFORM FOR NEW WORLD CONFERENCE OF COMMUNIST PARTIES IS EXPECTED TO BE DRAFTED DURING MEETING OF SOVIET AND EE LEADERS IN CRIMEA SHORTLY. ALTHOUGH MOSCOW IS SEEN READY TO COMPROMISE WITH EE STATES TO GET THEIR SUPPORT, IT IS STILL UNCERTAIN WHETHER SOVIET IS READY TO FOREGO COMPLETELY COLLECTIVE DENUNCIATION OF CHINA -- AS ROMANIA AND OTHER CRITICS OF PROPOSED CONFERENCE HAVE DEMANDED --

AND AGREE THAT MEETING'S DECISIONS WOULD NOT BE
BINDING ON PARTICIPANTS.

7. WP REPORTS TRAVELERS ARRIVING IN PEKING REPORT
HUA KUO-FENG WAS ATTACKED IN POSTERS SEEN RECENTLY
IN CHANGSHA.

8. JOC'S STRAUSS, IN HK, REPORTS GEN. PAI HSIANG-
KUO HAS BEEN CRITICIZED IN WALL POSTERS ATTACKING
CHINA'S POLICY ON IMPORTS. PAI'S SUCCESSOR, LI
CHIANG, HAS DEFENDED CHINA'S IMPORTS IN NEW MAGAZINE
PUBLISHED THIS MONTH --FIRST ARTICLE WRITTEN BY
ANY TRADE MINISTER PERHAPS SINCE GPCR, -- SO ITS
IMPORTANCE CANNOT BE DOUBTED. LI'S ARTICLE INDICATES
SUFFICIENCY OF GRAIN PURCHASES ARE STILL SENSITIVE
SUBJECT IN CHINA.

JAPAN

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UNCLASSIFIED

PAGE 06 STATE 165894

9. AMB. HODGSON BROKE GROUND FOR NEW US CHANCERY
IN TOKYO TUESDAY DURING COLORFUL SHINTO RELIGIOUS
CEREMONY. BUILDING, CALLED BY HODGSON, "MONUMENT
TO THE ENDURING RELATIONSHIP TO TWO GREAT NATIONS,"
WILL BE LARGEST US EMBASSY BUILDING IN WORLD WHEN
COMPLETED IN '76 (REUTER TOKYO).

10. JOC'S CULLISON REPORTS EXPORT ORDERS FOR
STEEL FLOOD JAPANESE FIRMS, DESPITE SHARP PRICE
INCREASES, PARTICULARLY FOR PIPES USED IN OIL
WELLS AND PIPELINES. STEEL PLATES IN GREAT DEMAND,
TOO. DEMAND THOUGHT DUE TO EUROPEAN MILLS' COMMITMENT
TO FILL ORDERS FOR N. SEA DEVELOPMENT PLANS AND
AMERICAN INDUSTRY'S COMMITMENT TO MEET DOMESTIC
NEEDS, ALLOWING NEW ORDERS TO COME TO JAPAN.

11. IN ANOTHER ARTICLE, CULLISON REPORTS ON INCREASED
USE OF CHEAPER TRANS-SIBERIAN CONTAINER ROUTE
FOR JAPANESE TRADE WITH EUROPE, WITH SOVIET AND
JAPANESE OFFICIALS WORKING IN CONJUNCTION TO MAKE
IT FASTER, MORE EFFICIENT. PRIVATE SHIPPING TALKS
BETWEEN THEM EXPECTED IN NEAR FUTURE.

12. AJINOMOTO PRODUCTION OF ASPARTAME -- SUGAR
SUBSTITUTE DEVELOPED IN CONJUNCTION WITH G. D.
SEARLE WHICH RECENTLY RECEIVED CLEARANCE FROM
USFDA -- HAS ALREADY BEGUN. PLANS TO EXPORT SWEETENER,
MADE FROM PETRO-CHEMICALS, TO US IN JOINT MARKETING
VENTURE WITH SEARLE. CLEARED FOR USE EXCEPT IN

SOFT DRINKS AND COOKING, WHERE IT APPARENTLY BREAKS DOWN (JOC).

13. JAPAN AUTOMOBILE MANUFACTURERS' ASSOCIATION SAYS VOLUME OF AUTO EXPORTS UP 25 PER CENT IN FIRST SIX MONTHS FROM SAME PERIOD LAST YEAR, WITH VALUE UP 46 PER CENT (WSJ).

AUSTRALIA

14. AUSTRALIA WHEAT BOARD ANNOUNCES CONCLUSION OF NEW 172 MILLION DOL WHEAT DEAL WITH CHINA.
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PAGE 07 STATE 165894

ROUGHLY MILLION TONS OF WHEAT TO BE SHIPPED FROM AUG-JAN, BRINGING TOTAL CHINESE PURCHASES OF AUSSIE WHEAT TO 1.6 MILLION TONS IN FIRST YEAR OF LONG TERM CONTRACT. CONTRACT PROVIDES FOR PAYMENT PLUS INTEREST OVER 12-MONTH PERIOD (JOC; REUTER, NYT).

15. AUSTRALIA HIGH COMMISSION ANNOUNCED PLANS TO GIVE 7000 TONS OF WHEAT TO DROUGHT-STRICKEN AFRICAN COUNTRIES. FOMIN SAYS CHAD, MALI, SENEGAL, NIGERIA, AND UPPER VOLTA SHOULD SHARE IN GIFT (JOC).

16. IRAN WILL BUY OVER 4000 TONS OF LAMB FROM WA, WORTH ABOUT 4.5 MILLION DOLS, ABOUT 65 PER CENT OF FORECAST EXPORT PRODUCTION OF WA, WITH OPTION FOR 2000 MORE (JOC).

FRENCH A-TEST

17. NZ PM KIRK SAYS HE HAS REASON TO BELIEVE FRANCE HAS EXPLODED ANOTHER NUCLEAR BOMB ON MUROROA, BASED ON INFORMATION FROM NZ MONITORING STATIONS. BELIEVES EXPLOSION SMALLER THAN 100 MEGATONS. FRENCH HAVE NEITHER CONFIRMED NOR DENIED (CHITRIB; UPI, NYT).

18. SUN'S PULLAM REPORTS SIMILAR ANNOUNCEMENT FROM AUSTRALIAN PM WHITLAM AND STATEMENT FROM FRENCH PREMIER CHIRAC THAT FRANCE FULLY INTENDS TO PURSUE NUCLEAR PROGRAM TO PROTECT SECURITY AND INDEPENDENCE. IN CANBERRA, HOPED THAT THIS EXPLOSION, FIFTH THIS YEAR, WILL BE LAST IN SERIES (AFP, PHINQ).

COMMENT AND ANALYSIS

CHINA

19. LAT'S ELEGANT IN HK (JULY 28) REPORTS MODERATE PRCESTABLISHMENT ATTACKING MAO AND HIS "THOUGHTS"

IN ORDER TO BLUNT ASSAULTS MOUNTED BY RADICALS.
SEES MODERATES' CRITICISM OF MAO AUTHORITY AND
PHILOSOPHY, WHICH "EXTREME LEFTISTS" HEAVILY RELY
ON FOR MORAL BACKING AND PRESTIGE, AS DESPERATE
MEASURE INDICATING SCHISM PRODUCED BY CURRENT CRISIS
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PAGE 08 STATE 165894

IN CCP LEADERSHIP IS AT LEAST AS SEVERE AS CONTENTION
OVER POWER AND DOCTRINE THAT ERUPTED INTO GPCR.
TO SUPPORT VIEW, ELEGANT REFERS TO RECENT ESSAYS
PUBLISHED IN PEOPLE'S DAILY AND RED FLAG WHICH,
HE SAYS, REBUTTED LEFTISTS' RENEWED STRESS ON MAOIST
CULT OF PERSONALITY. INDIVIDUALS CRITICIZED IN
ESSAYS INCLUDE NOT ONLY MAO AND CHIANG CHING, BUT
ALSO ENTIRE LEFTIST LEADERSHIP, WHICH OPENLY AVOWED
ITS INTENTION OF PURGING CHOU AND HIS CHIEF LIEUTENANTS.

ELEGANT SAYS ATTACK ON MAO WAS NOT UNDERTAKEN LIGHTLY,
AND MAO WAS PRESERVED ALOOF FROM POLITICAL BATTLE UNTIL
LAST TWO WEEKS. MORAL AUTHORITY OF MAO AND MAO

THOUGHT IS ONE OF CHIEF PILLARS OF COMMUNIST POWER
IN CHINA; DENIGRATING CHAIRMAN'S IDEOLOGICAL AUTHORITY
IS ACTION AS SYMBOLICALLY EXTREME AS TRAMPLING ON
CROSS. CRITICIZING MAO IS ALSO CRITICAL MANEUVER IN
POWER STRUGGLE, AND MODERATES MUST NOW FEEL THEY HAVE
NO CHOICE BUT TO ALTER PREVIOUS STRATEGY OF AVOIDING
DIRECT CONFRONTATION. SAYS MODERATE DECISION CONFIRMS
OBSERVERS' FEARS THAT BATTLE TO TAKE POWER, ALREADY
LARGELY RELINQUISHED BY MAO, IS ACUTE.

CITES RED FLAG, USING HISTORICAL ALLUSION, STRESSING
INSISTENCE OF LORD SHANG (FEUDAL PREMIER OF 4TH
CENTURY B.C.) ON RULE BY FIXED LAWS, RATHER THAN BY
INDIVIDUALS' WHIMS, THEREBY IMPLYING CRITICISM OF
RADICALS WHO ASSERT THAT NEITHER LAWS NOR CCP DIRECTIVES
CAN CURB THEIR "REVOLUTIONARY SPIRIT." RED FLAG
ENDORSED LORD SHANG'S INSISTENCE THAT ALL PERSONS BE
SUBJECTED TO SAME PUNISHMENTS FOR SAME TRANSGRESSIONS,
REGARDLESS OF THEIR POSITIONS OR RELATIONS. MANY
CHINESE COMPLAIN OF FAVORITISM SHOWN MAO'S CLOSE
RELATIVES -- WITH CHIANG CHING NATURALLY FIRST AMONG
THEM, ELEGANT MAINTAINS.

RED FLAG ALSO CITED LORD SHANG'S CONDEMNATION OF
"FIVE CATEGORIES OF EVIL PEOPLE: THOSE CONSUMERS
WHO DO NOT WORK; THE BEMEDED WHO HAVE NEVER
FOUGHT A BATTLE; THOSE VENERATED THOUGH LACKING
UNCLASSIFIED

UNCLASSIFIED

PAGE 09 STATE 165894

IN ACCOMPLISHMENT; THOSE ENRICHED FROM NO VISIBLE SOURCE; AND THOSE WHO EXERCISE AUTHORITY WITHOUT HOLDING FORMAL OFFICE."

ELEGANT SAYS HARDWORKING CADRES AND VETERAN GENERALS TO WHOM MODERATES ARE APPEALING RESENT YOUNG LEFTISTS FOR PRECISELY THESE REASONS. REMARKABLY UNSUCCESSFUL AS MOVIE ACTRESS, CHIANG CHING DICTATES ARTISTIC STANDARDS BUT HAS NO OFFICIAL SANCTION. WANG HUNG-WEN, CCP'S THIRD VICE CHAIRMAN, AND POLITBURO MEMBER YAO WEN-YUAN, HAVE NEVER FOUGHT COMMUNISTS' ENEMIES AND CAN BOAST NO PARTICULAR ADMINISTRATIVE ACCOMPLISHMENTS; BUT BOTH HOLD HIGH OFFICE.

ATTACKS ON MAO ARE INDIRECT, NOTES ELEGANT, STRONGEST OF WHICH CAME IN PD COMMENTARY ENTITLED, "CRITICIZE THE THREE FEARS." READERS WERE ADVISED NOT TO STAND IN AWE OF THREE CONFUCIAN SACRED COWS: THE "DECREE OF HEAVEN" THAT GIVES A CHINESE RULER SEMI-DIVINE POWER; THE "SUPERIOR MEN" WHO RULE INFERIORS; AND "THE WORDS OF THE SAGE," WHICH MEANS SANCTIFIED DOCTRINES. ONLY REGARDING MAO HIMSELF, NOTES ELEGANT,

HAVE COMMUNISTS CLAIMED THAT HE WAS DESTINED TO RULE BECAUSE HE POSSESSED "HEAVEN-BESTOWED" TALENT; ONLY MAO HAS BEEN CHARACTERIZED AS BEING "SUPERIOR MAN" ABOVE ERROR; AND ONLY MAO HAS COMPOSED SYSTEMATIC POLITICAL AND MORAL PHILOSOPHY THAT IS PRESENT-DAY EQUIVALENT OF ANCIENT "WORDS OF THE SAGES."

TO MAKE TARGET OF ITS CRITICISM UNMISTAKABLE, SAYS ELEGANT, PD COMMENTARY BERATED LIN PIAO FOR ATTEMPTING TO ELEVATE HIMSELF TO SUPREME POWER BY EXPLOITING "THE WORDS OF THE SAGE."

MALAYSIA

20. IN ARTICLE DATEDINED KL, LAT'S ELEGANT (JULY 28) DISCUSSES STUDENTS IN MALAYSIA. NOTES NUMBER OF UNIVERSITY STUDENTS OF MALAY RACE HAS MORE THAN DOUBLED DURING PAST THREE YEARS BECAUSE OF AGGRESSIVE UNCLASSIFIED

UNCLASSIFIED

PAGE 10 STATE 165894

GOVT. SPONSORSHIP; BUT MILITANT STUDENT MOVEMENT DEMANDING DESTRUCTION OF "THE OLD WORLD" IN RINGING MAOIST RHETORIC AND AT SAME TIME, ENDORSING PURITANICAL

RELIGIOUS TEACHING OF MOSLEM PRIESTS WHO OPPOSE EVEN MODEST INDUSTRIALIZATION, HAS ALSO DEVELOPED.

OBSERVES THAT INTERNALLY, STUDENTS AGITATE FOR NATIONALIZATION OF INDUSTRY AND AGRIC, PARTICULARLY EXPROPRIATING FOREIGN-OWNED ENTERPRISES, UNDEFINED "SOCIALISM," SUPPRESSING GROWING CORRUPTION AND CURBING NEW ENTREPRENEURIAL CLASS -- THE "MALAY MILLIONAIRES" -- AS WELL AS CHINESE CAPITALISTS. EXTERNALLY, STUDENTS OPPOSE US POLICIES, PARTICULARLY US NAVAL SHIPS USING STRAITS OF MALACCA; WANT SOLIDARITY WITH NONALIGNED THIRD WORLD, PARTICULARLY MOSLEM NATIONS AND ADVOCATE DESTRUCTION OF ISRAEL.

ELEGANT SAYS, INTELLECTUALLY, STUDENTS' PROGRAM IS KIND OF MALAY CHOP SUEY SEASONED WITH "ARAB SOCIALISM." HOWEVER, ADDS THAT PRESENT DISARRAY IN MALAYSIAN POLITICS GIVES STUDENTS GREATER POTENTIAL POWER THAN THEY WOULD OTHERWISE POSSESS. SAYS, FOR ONE THING, THEY ARE TOMORROW'S PRESUMED LEADERS; FOR ANOTHER, UMNO CAN NO LONGER OFFER RAPID ADVANCEMENT TO LARGE NUMBERS OF YOUNG ACTIVISTS SINCE RANKS ARE FULL AND SENIORITY HAMPERS OPPORTUNITY FOR CUSHY OR POWERFUL JOBS. COMMENTS THAT WITH ALLIES ON BOTH POLITICAL LEFT AND THEOCRATIC RIGHT, STUDENTS COULD EXERT INFLUENCE FAR BEYOND THEIR NUMBERS. THEY HAVE NOT BEEN INOCULATED AGAINST EXTREMISM AS WERE THEIR INDONESIAN BLOOD-BROTHERS BY SUKARNO EXCESSES; THEY HAVE NOT PASSED THROUGH MATURING STRUGGLE FOR INDEPENDENCE NOR REMEMBER DEPRADATIONS OF MLRA "COMMUNIST TERRORISTS." CONCLUDES THAT IDEALISTIC STUDENTS - ONLY RECENTLY GRANTED EDUCATION FRANCHISE - COULD IN TIME BECOME SERIOUS POLITICAL FORCE IN COUNTRY THAT IS ITSELF SEEKING NEW IDENTITY.

PAPUA-NEW GUINEA

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PAGE 11 STATE 165894

21. IN FIRST OF SERIES OF TWO ARTICLES FROM PORT MORESBY, CSM'S SOUTHERLAND WRITES ABOUT PROBLEMS FACING PNG AS INDEPENDENCE NEARS: INEXPERIENCE, INFLATION, DRIFT OF JOBLESS ILLITERATES INTO TOWNS, GROWING NUMBER OF FRUSTRATED SECONDARY-SCHOOL DROPOUTS AND GRADS WHO CAN'T FIND WORK, AND NASCENT SEPARATISM AMONG COUNTRY'S DIVERSE POPULATION. HOWEVER, SOUTHERLAND NOTES COUNTRY HAS SOME THINGS GOING FOR IT: ENOUGH AGRIC LAND TO FEED ITSELF AND PROVIDE EXPORTS, ENORMOUS NATURAL RESOURCES WHICH LAST YEAR GAVE IT FAVORABLE BALANCE OF TRADE.

AND GRANT AID FROM AUSTRALIA, AMONG OTHERS.

GENERAL

22. JACK ANDERSON (WP) REPORTS THAT REP. MURPHY (D-NY), WHO IS SEEKING STRONGER CURBS ON AIR PIRACY, HAS SECRET INTELLIGENCE REPORTS SHOWING SOVIETS ARE COOPERATING WITH WEST TO WAYLAY AIR TERRORISTS WHILE THEY OPPOSED STRONG INTERNATIONAL ANTI-HIJACKING ACTION IN ORDER NOT TO JEOPARDIZE THEIR TIES WITH WORLD REVOLUTIONARY MOVEMENTS. CITES, AS EXAMPLE, THAT SOVIETS ALERTED WESTERN GOVT'S ON MOVEMENTS OF THREE JAPANESE TERRORISTS - ONE MEMBER OF "JAPANESE RED ARMY" - WHO WERE ALLEGEDLY PLOTTING HIJACKING. INTELLIGENCE REPORTS SHOW THAT NAMES OF THE THREE WERE DIVULGED "IN MALAYSIA, LAOS AND SENEGAL BY SOVIET EMBASSY AND AEROFLOT OFFICIALS" -- ALL AS COURTESY TO THESE LANDS. KISSINGER

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